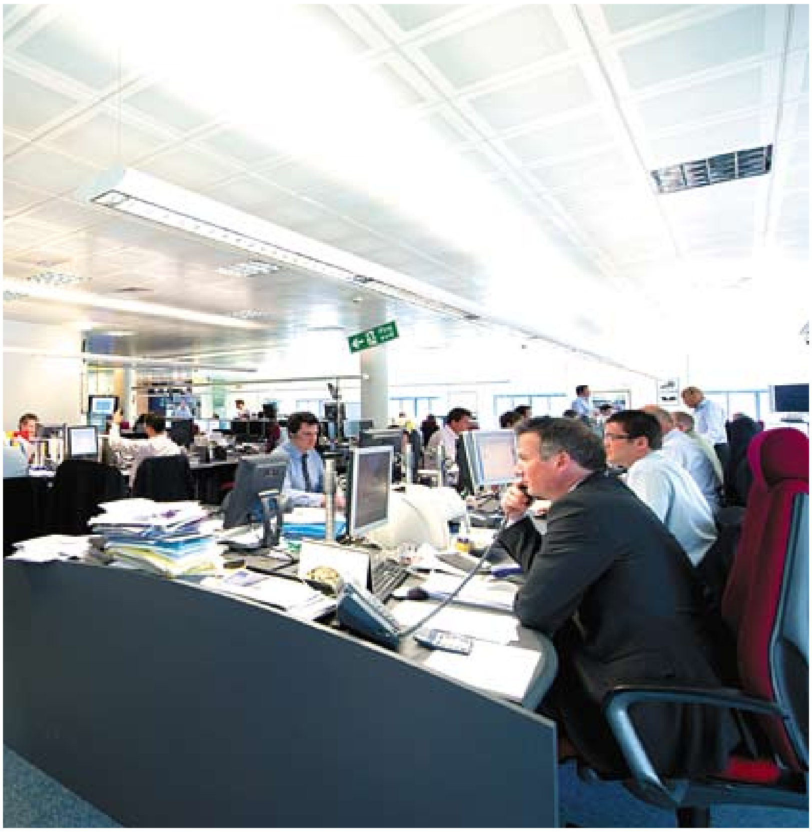



ACM Shipping Group plc

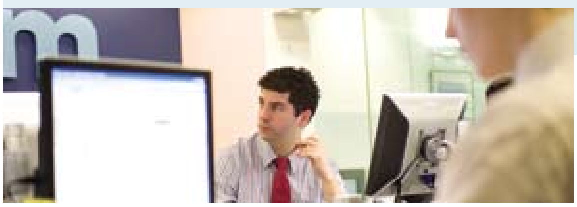
Annual report and accounts 2010

Corporate statement

ACM is one of the **world's top international shipbrokers,** providing a full range of **integrated shipbroking services** for the global market.

The **comprehensive portfolio** includes spot/period chartering, derivatives brokerage, sale and purchase, new buildings and demolition.

We have produced a strong fundamental business with a solid platform for future growth and we continue to look for opportunities to expand the Group's offering.



Summary

Total revenue moderately **ahead of management expectations** at US$41.1 million (2009: US$50.9 million), down 19%, due to market conditions

Profit before amortisation and taxation down 24% to **£6.6 million** (2009: £8.7 million)

Basic and adjusted EPS down 27%

Final dividend of 6.75 pence per share, making 9.5 pence per share for year up 12% (2009: 8.5 pence per share)

Strong cash position of £4.3 million and no debt

9% increase in the number of **spot fixtures** contracted during the period on organic business

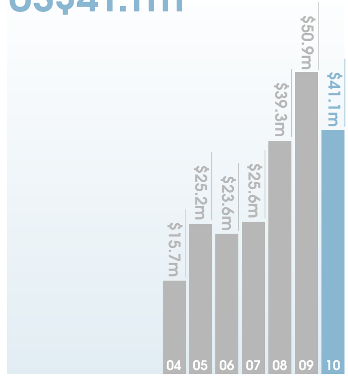
Overseas offices performing well, in particular Singapore and Beijing

Time charter forward order book at US$18 million (2009: US$25 million), due to market uncertainty; however **market conditions improving**

Entry in **dry cargo**: **acquisition** in Australia and **venture set up** in London

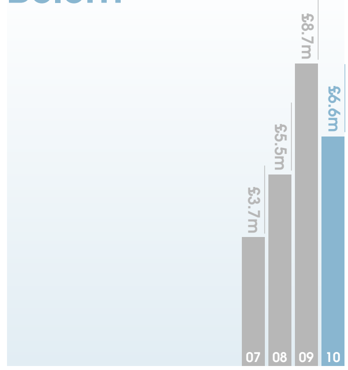
Revenue (US$m)

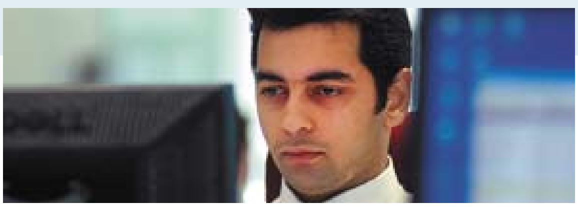
US$41.1m

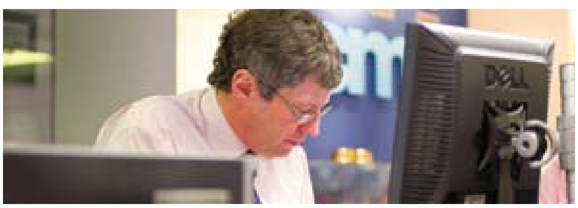


Profit (£m)

£6.6m





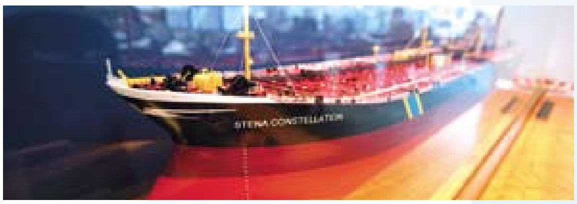


Our business at a glance

ACM is widely recognised as one of the **world's leading integrated shipbrokers.**

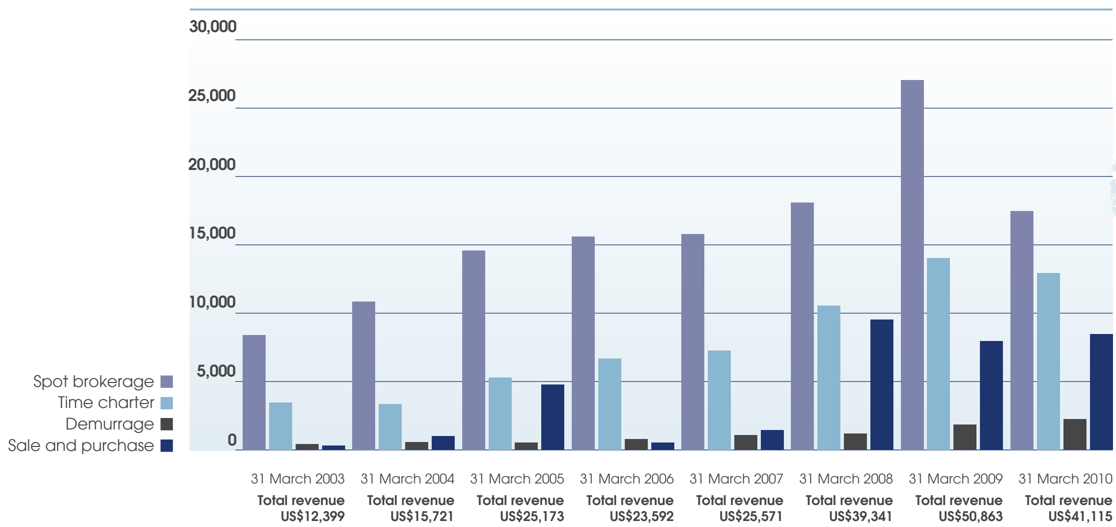
ACM has achieved market leadership in a number of key areas.

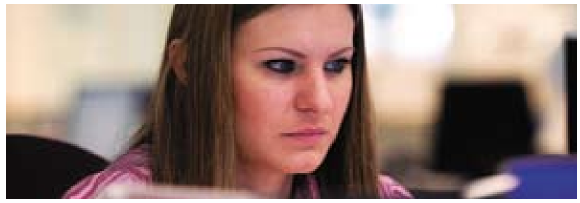
The Group's strategy is to gain market share by expanding its team of expert brokers to enter new shipping sectors and penetrate new regional markets, which is being achieved both organically and through acquisition.



Worldwide coverage
A team of more than 110 brokers and support staff based in London, Singapore, Mumbai, Shanghai, Beijing and recently Melbourne and Sydney, provide clients with global experience and intimate local knowledge.

Revenue split (US$'000)




What we do: Broking divisions – oil tankers

Spot brokerage
_Hire of a ship for a single voyage
_ACM's spot desks are highly ranked in the world
- Crude oil
- Fuel oil
- Clean petroleum

Sale and purchase brokerage
_Broker new builds and demolitions
_Sale and purchase of second hand ships
_Demolition market

Gas ship brokerage
_Spot market
_Long-term contracts
_Focusing on the LPG market

Time charter brokerage
_Long-term charters based on daily hire
_Strong forward order book

Derivatives brokerage
_50% joint venture with GFI
_Hedging volatility in the freight market

Research
_Client added value

Operations
_Back office

Diversifying our offering

Dry cargo entry
_Since the year end the Group has acquired the business of Endeavour Shipbrokers Pty Limited, a dry cargo shipbroker based in Melbourne and Sydney, Australia
_Endeavour concentrates on the growing dry bulk market and has a wide range of global clients including major world recognised blue chip mining, industrial and agricultural companies as well as shipowners and operators
_The acquisition was for a total consideration of £5.8 million: £2.3 million in cash and the issue of 1,815,000 new ordinary shares
_The Group has also recently set up a new dry cargo venture in London

The Group has now entered the dry cargo market and this is an important expansion strategically as it enhances our offering and diversifies the Group's earnings.

Chairman's statement

The strategy has produced a strong fundamental business with a solid platform for future growth. Against a difficult economic backdrop, we are pleased to be able to report that revenue and profit for the year were ahead of management expectations. Our strong cash position has enabled us to increase our dividend by 12%. We have entered the dry cargo market as we continue to build an integrated shipbroking service provider.

Results ahead of management expectations

Dividend for the year increased by 12%

Entry into the dry cargo market

Continuing to expand the global team

Despite the challenging conditions in the broader market, ACM has continued to make excellent progress. The Group's move into the dry cargo sector is a significant step towards achieving our strategic aim of becoming an integrated shipbroking service provider.

Results

Although below last year's record results, Group revenue was US$41.1 million (2009: US$50.9 million) and profit before amortisation and taxation was £6.6 million (2009: £8.7 million), ahead of management expectations. This is a robust outcome given the market conditions in the shipping sector over the last year.

ACM remains highly cash generative, and the Group has a strong balance sheet with net assets of £13.3 million (2009: £12.2 million), and net cash of £4.3 million.

Dividend

ACM continues to provide shareholders with a progressive dividend. The Directors are recommending a final dividend of 6.75 pence per share in respect of the year to 31 March 2010. This makes a total of 9.5 pence per share for the year which is a 12% increase on the 8.5 pence per share paid for the previous year. The final dividend is payable on 8 October 2010 to shareholders on the register as at 10 September 2010. The dividend for the year is covered more than two and a half times by the full year's earnings.

Strategy

The Group's strategy is to gain market share by expanding its team of expert brokers to enter new shipping sectors and penetrate new regional markets. By building on the Group's expertise and significant infrastructure, ACM is working towards its stated strategy to become an integrated shipbroking service provider. This is being achieved both organically and through acquisition.

In terms of entering new shipping sectors, the Group recently announced its expansion into dry cargo. ACM continues to expand its global team, with offices in London, Singapore, Mumbai, Shanghai and Beijing now being added to by Melbourne and Sydney.

Expansion into dry cargo

In line with the Group's stated strategy to expand its brokerage services geographically and across shipping sectors to become an integrated shipbroking service provider, on 24 June 2010 ACM announced that it has acquired the business of Endeavour Shipbrokers Pty Limited ("Endeavour"), a dry cargo shipbroker operating in Australia and the Far East. This acquisition diversifies ACM's earnings and builds on the Group's significant expertise in shipbroking. The acquisition is expected to become earnings enhancing within the first year.

This acquisition is highly complementary to the dry cargo venture which ACM recently started in London. This will dovetail with the acquisition to enable the Group to penetrate the dry cargo market worldwide.

These developments demonstrate significant progress on ACM's stated strategy and, both the acquisition and the joint venture, provide ACM with both additional geographic reach as well as broadening the Group's offering within the shipbroking market.

Employees

ACM continues to recognise that the Group's strength lies in its brokers and support staff. Through our expansion into the dry cargo market since the period end, ACM is further expanding the team and the Board continues to be dedicated to ensuring that the broking desks are fully integrated and that the brokers across the Group are working together. The Board would like to thank all brokers and support staff for their contributions to another year of significant achievement.

Current trading

Trading across the Group is increasingly robust as the market improves. ACM's global offices are performing well, and the Board looks forward to the integration of Endeavour to further broaden the Group's offering. Despite the challenging period that the sector has experienced, the Group is ideally positioned to capitalise on the upturn in the market. With global oil demand regaining strength, and tanker demand increasing, particularly in the Far East, the prospects for ACM remain strong.

Peter Sechiari
Chairman

Chief Executive's review of the business

In line with its strategy to become an international diversified and integrated shipping services broker, ACM continues to expand its services and global reach. Our business has continued to grow both in the UK and globally. We are excited about our diversification into dry cargo which the Board is confident will enhance our financial performance in the medium and long-term.

Continue to gain market share with spot deals up 9%

Time charter forward order book at US$18 million

Sales and purchase showing growth

Diversification into dry cargo

Overseas offices gaining momentum

Oil demand growing

During what has been a challenging period for the market globally, ACM has continued to deliver results and has since the year end been further strengthened by our acquisition of Endeavour. The Board had identified the opportunity in the market to become an integrated provider of shipbroking services and, with this acquisition and our new dry cargo team in London, the Group has made a significant step towards achieving this goal.

Spot brokerage

The spot brokerage desk, which involves the hire of a ship for a single voyage, accounted for 42% of revenues this year. ACM has continued to improve the level of spot fixtures and this is reflected in both Group revenue and profit which are above management forecasts. Overall, there has been a 9% increase in the number of spot fixtures contracted during the period. The average freight income per fixture fell by 42% due to market conditions.

Time charter

The time charter business, which involves the long-term hire of tankers, produced a steady amount of revenue during the period.

The Group's long-term order book is currently at a lower level at US$18 million than at 31 March 2009. This is due, in part, to the uncertainty in the broader market, which has lead to a reluctance for owners, oil companies and oil traders to take on long-term commitments on ships. However, confidence in the market is now improving.

Sale and purchase

The sale and purchase business, which involves the sale and purchase of new and older ships, achieved modest growth during the period. The volume of transactions particularly increased in the second half, partly due to asset prices increasing. This market is showing further signs of improved performance and ACM is well positioned as one of the leading brokers in this sector with its strong team.

Overseas operations

Central to ACM's offering to its clients is the Group's ability to provide global shipbroking services from its offices in key geographic locations; local teams with significant expertise, supported by global infrastructure, are one of the Group's strengths.

The Group's overseas operations are starting to gain momentum, with Singapore having been particularly successful during the period. The Beijing office has successfully been put on the panel as brokers of some large Chinese oil companies while the prospects for Shanghai are good with remarkably high levels of new building occurring particularly in the Chinese yards. The office in India, which is also in its infancy, showed a modest contribution for the year.

Diversification

By diversifying the Group's earnings and moving into dry cargo, ACM is building on the global infrastructure that it has established since its inception, and starting to use its shipbroking expertise to work with all sizes of bulk dry cargo ships.

The acquisition of Endeavour diversifies and enhances the Group's income and, combined with ACM's infrastructure and expertise, will create an integrated shipbroking services company. Endeavour is based in Melbourne and Sydney, Australia and has connections throughout the Asia Pacific region, and is an excellent fit for our business in terms of geographic reach. It is particularly pleasing to have already secured interest from existing clients in this market.

The Group's entry into the dry cargo market is further driven by setting up a new subsidiary and starting to build a team of brokers in London. This venture is initially 60% owned by ACM with the other 40% owned by brokers directly involved in developing this part of the business. ACM has an option to purchase the minority interest at any time after April 2012. This is an important step forward for the future of the business, as ACM's move into dry cargo is an important investment in the Group's future. Whilst the venture will be loss making for a period of time, this will be offset by the contribution of Endeavour, and importantly is an investment in the future of the Group. The Board believes that the dry cargo market is a significant opportunity to diversify within our field of expertise as shipbrokers, putting ACM in an even stronger position.

Gas shipbroking is going according to management strategy, with the Group concentrating on LPG. The gas broking team has now been expanded into our Singapore office.

Financial derivatives

The Group's joint venture with GFI Group, Inc. to conduct derivative brokerage had another good year despite difficult market conditions. The JV continued to increase its customer base and increase in the volume of deals completed. This venture adds significant value to ACM and its clients.

The market

ACM's expansion into the dry cargo market is a significant step for the Group, and builds on our expertise in the wet tanker market, creating an integrated shipbroking services business. This also comes at a time when the global demand for oil is regaining its strength with global oil demand forecasts back to pre recession peaks.

Tanker demand has made a remarkable comeback since global oil demand bottomed out in early 2009, thanks in large part to a significant jump in Chinese crude oil imports. Rapid Asian economic growth over the past year has driven a recovery in global oil demand that is now expected to average 86.4 million barrels per day (Source: IEA) – nearly 1.7% higher than last year. The recession encouraged an acceleration in the rate at which older vessels are removed from the active fleet and it has tempered the rate at which newbuildings deliver from the yards. Overall this has left tanker supply in a much healthier position going into 2011 than previously expected.

Outlook

The Group's forward order book is solid, although it is not at the same levels as at the end of 2009. This is in part a result of the broader market conditions. The team is being strengthened from internal resources, and as market sentiment improves the Board is confident that the order book will be positive going forward.

ACM has built the right infrastructure for its global operations, and is in a strong position for the opportunities that are presenting themselves now, as well as for the future for the industry. The market is starting to recover in the tanker and dry cargo business, with big ships earning more than predicted, and in particular the sale and purchase business shows further signs of increased volumes. ACM is well positioned for this upturn, with its strong team with an established list of clients, and the Board will continue to seek opportunities for further growth geographically, both organically and acquisitively. Having maintained its market leading position during this challenging period, the Group is ready to capitalise on the improvements in the market.

Johnny Plumbe
Chief Executive

Financial review

The strong financial performance and cash generative nature of the business enables a progressive increase in dividends and has enabled the Group to pay for the cash element of the acquisition without the need for any borrowing.

Profit before amortisation and tax was £6.6 million

Despite a decrease in profit from the previous year, the medium term trend is still for strong profit growth

Dividend up 12% and covered 2.8 times

Cash balance at year end £4.3 million

Profit and earnings
Adjusted profit before tax and amortisation for the year was £6.6 million. Although this represents a decrease of 24% from the previous year, it is the second best result in our history and the Board considers this to be a good performance in the prevailing market conditions.

Profit before taxation for the year was £6.2 million (2009: £8.1 million) after charging amortisation of £0.4 million (2009: £0.6 million).

Revenue fell 14% but this was partly offset by administrative overheads being 10% lower. The lower administrative expenses were mainly due to lower bonuses paid to brokers as a result of the lower profit.

Basic earnings per share ("EPS") decreased 27% to 24.5 pence from 33.4 pence with adjusted EPS down from 35.9 pence to 26.3 pence. On a diluted basis, EPS also decreased by 27% to 24.4 pence (26.1 pence adjusted).

The effective taxation rate was 30.3% (2009: 28.0%). In 2009 it was lower than usual due to utilisation of overseas tax losses.

Foreign exchange
The bulk of the Group's income is denominated in US dollars. The average effective exchange rate for the 2009/2010 year was US$1.59 compared with US$1.69 for the previous year, while the rate at 31 March 2010 was US$1.52 compared with US$1.43 at 31 March 2009. The overall effect of the change in exchange rates was to increase revenue by £1.5 million and profit before taxation by £0.6 million. At the year end, the Group had forward currency contract to sell US$9.0 million at an average exchange rate of US$1.60 to £1.

Dividends
The Directors are recommending a final dividend of 6.75 pence per share in respect of the year ended 31 March 2010 with a total cost of £1,160,000. Together with an interim dividend of 2.75 pence paid during the year, the total dividend in respect of the year would be 9.5 pence with a total cost of £1,633,000. The total dividend of 9.5 pence is 12% higher than the previous year full

dividend of 8.5 pence per share and is covered 2.8 times by the adjusted earnings per share.

Cash flow

One of the key attributes of the Group is its cash generative nature. Cash generated from operating activities at £2.6 million (2009: £9.0 million) was relatively low due to the timing of bonus payments. This inflow excludes a further £1.6 million (2009: £1.5 million) received from joint ventures. The cash balance at the year end was £4.3 million (2009: £4.9 million) after having utilised £1.0 million of cash to purchase shares for the Employee Share Option Plan.

Balance sheet

The value of net assets at the balance sheet date was £13.3 million (2009: £12.2 million).

Included within non-current assets is £10.2 million (2009: £10.6 million) for intangible assets which resulted from acquisitions.

The pension deficit for the defined benefit scheme has increased to £2.1 million from £1.2 million. The increase is primarily due to corporate bond yields falling. A deferred tax asset of £0.6 million (2009: £0.3 million) exists as a result of this liability. This scheme is closed to new members. On the back of a full actuarial valuation as at 31 March 2008 the Group has agreed to make additional contributions of £300,000 per annum to the pension scheme. The calculation of the deficit as at 31 March 2010 does not affect this funding plan.

Trade and other payables have decreased by approximately £3.0 million. The majority of this relates to a lower bonus accrual at the year end which is partly due to timing of bonus payments and partly due to lower bonuses due on the lower level of profitability.

During the year the Group acquired 500,000 of its own shares through its Employee Share Option Plan. The cost of this was £1.0 million and is shown on the balance sheet as an ESOP reserve as a deduction from equity.

Risk management

The Board seeks to identify and monitor risks facing the business.

Foreign exchange risk – the majority of the Group's income is denominated in US dollars and the rate of exchange relative to sterling can have an effect on the performance of the Group. The Group uses foreign exchange instruments to manage this risk. At March 31 2010 the Group had forward foreign exchange contracts in place to sell US$9.0 million (2009: US$9.0 million) at an average rate of US$1.60 (2008: US$1.48) into Sterling. The Board has a policy to continually have some forward cover in place to help manage this risk.

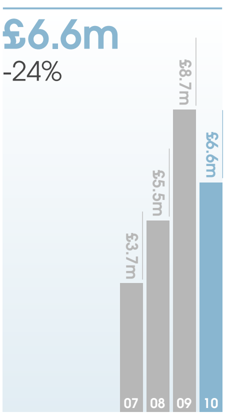
Liquidity risk – at 31 March the Group did not hold any net debt and has adequate cash resources to meet its ongoing requirements.

Interest rate risk – the Group has exposure to movements in interest rates in respect of its deposits. All deposits are made with reputable banks.

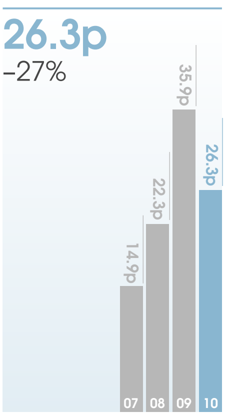
Ian Hartley

Ian Hartley
Finance director

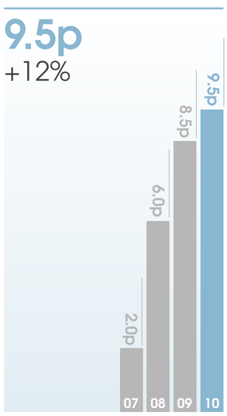
Profit before amortisation and tax (£m)



Adjusted EPS (p)



Dividends per share (p)



Board of Directors and advisers

Peter Sechiari
Chairman (non-executive)
Peter joined ACM as Chairman in April 2000. He has strong listed company experience through his previous appointments at Rio Tinto plc, Steele Brothers Holdings plc, Bricom Group plc and Mayborn Group plc. He is responsible for advising ACM on financial strategy, senior management structure, remuneration, succession issues and financial oversight.

John Plumbe
Chief Executive
Johnny has been with the Group for 28 years. He has been a specialist in large tanker brokering for 37 years, dealing with the major oil companies such as BP, Shell, Vela, and Traders Vitol and many owners such as Embiricos, Goulandris, Lemos, Frontline, Pacific Star and NSCSA. He is involved in time charters, projects and sale and purchase.

Ian Hartley
Finance director
Ian joined the Board in March 2007. He was previously finance director with Mayborn Group plc, a consumer products group. Mayborn was a listed company from 1986 to 2006, which transferred from the Official List to AIM in 2003. Ian spent over 20 years with Mayborn and was appointed company secretary in 1996 and finance director in 1998. Ian qualified as a chartered accountant in 1976, following which he gained experience in a variety of companies before moving to Mayborn.

Company secretary
Ian Hartley

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Kinnaird House
1 Pall Mall
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Email: investors@acmshipping.co.uk
Web: www.acmshippinggroup.com

James Gundy
Chief Operating Officer
James has been with ACM for 17 years, previously at Clarksons for ten years. He personally heads the very successful VLCC desk and specialises in VLCC spot chartering. He has also concluded numerous long-term time charters and sale and purchase contracts. James' main clients include Total, CPC, Chevron, Arcadia, Great Elephant Corporation, Glafki and Metrofin.

Timothy Chadwick
Director (non-executive)
Timothy joined the Board in March 2007 and was previously executive chairman at Simon Group plc, where he oversaw the restructuring and refocusing of the company into a specialised and profitable seaports business. He then led Simon Group in an agreed acquisition by Montauban S.A., the private Belgian shipping group. Prior to joining Simon Group, Timothy floated Benicia Ports plc on the London Stock Exchange in 1993. He grew the business into a large seaport and airport group with operations throughout the US, UK and Belgium. In 1999 Timothy sold the business to Associated British Ports plc where he remained on their board until 2001.

David Cobb
Director (non-executive)
David joined the Board in March 2007. He initially trained as a naval architect and was then involved in shipbuilding in the UK and Canada. David then spent 17 years with Ingram Corporation, firstly as vice president and then as president. Ingram was a privately owned US company specialising in oil and shipping. Following this, in 1994, he joined James Fisher & Sons plc, a quoted shipping company, serving as executive chairman until 2002. David was awarded a CBE in 1999 for his services to the shipping industry. He is a past president of the Chamber of Shipping and a past president of the Institute of Marine Engineers Science and Technologists. He was elected sheriff in the City of London in 2004.

Registered number
5990315

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Fax: +44 (0)20 8639 2342
Tel: +44 (0)20 8639 3399 (overseas)
Email: ssd@capitaregistrars.com

* calls cost 10 pence per minute plus network charges.

Directors' report

The Directors present their report and the financial statements of the Company for the year ended 31 March 2010.

Principal activities and business review

The principal activities of the Group during the year were shipbroking and related activities in the shipping business.

A review of the business, further details and key performance indicators are discussed in the Chairman's statement, Chief Executive's review of the business and financial review.

Results and dividends

The trading results for the year and the Group's financial position at the end of the year are shown in the attached financial statements.

An interim dividend of 2.75 pence per share was paid on 26 February 2010. The Directors are recommending a final dividend of 6.75 pence per share payable on 8 October 2010 to shareholders on the register as at 10 September 2010.

Directors and their interests in the shares

The Directors who served during the year together with their interests in the shares of the Group were as follows:

	At 31 March 2010	At 31 March 2009
PG Sechiari	**153,000**	153,000
DB Cobb	**4,000**	2,000
TJM Chadwick	**—**	—
JL Plumbe	**769,000**	769,000
JCD Gundy	**1,225,000**	1,225,000
IM Hartley	**—**	—

None of the Directors have any non-beneficial interests.

John Plumbe had an interest in 206,060 LTIP shares. John Plumbe, James Gundy and Ian Hartley had an interest in 6,000, 10,500 and 54,661 share options respectively, details of which are given in the Directors' remuneration report.

Further information on the Directors is given on page 10 and 11.

Between 31 March 2010 and 16 July 2010 there have been no changes in the interests of the Directors in the shares of the Company. No Director had a material interest in any contract of significance to the Company.

Substantial shareholdings

At 2 July 2010 the Company had received notification of the non-director shareholdings over 3% of the Company's share capital as follows:

	Number of ordinary shares	% of issued share capital
Employees		
WS Middleton	**1,225,000**	**6.3%**
MAC Rudd	**1,225,000**	**6.3%**
BAL Peck	**995,000**	**5.1%**
APG Wakely	**616,000**	**3.2%**
L Maze	**613,000**	**3.1%**
Others		
GFI Holdings Ltd	**1,419,600**	**7.3%**

Employees

The Group has high regard for its employees. The Group seeks to enhance their careers with training and career development as well as continuing to motivate them. Share option schemes have been set up to add to the annual bonus structure. The Group seeks to have equal opportunity policies in place at each location.

Payment policy

The Group pays in accordance with agreed payment terms. The Company does not have any trade creditors.

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Accounts and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with IFRS as adopted by the European Union and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of their profit or loss for that period. In preparing each of the Group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Donations

During the year the Group made charitable donations of £37,951 (2009: £42,663).

Financial risk

The Group's financial risk and its management policies are set out in note 23 to the financial statements.

Annual General Meeting

At the Annual General Meeting (AGM) resolutions will be proposed. Details of these resolutions together with explanatory notes can be found in the enclosed notice of meeting.

Auditor

Our auditors have changed their name to RSM Tenon Audit Limited and have signed the audit report using their new name.

RSM Tenon Audit Limited has expressed its willingness to continue in office and a resolution to re-appoint them will be proposed at the AGM.

Signed by order of the Board

Ian Hartley
Company Secretary
16 July 2010

Corporate governance

Introduction

The Board is committed to achieving good standards of corporate governance. Although under the rules of AIM the Group is not required to comply with the Combined Code, the Directors intend to comply so far as reasonably practicable for a company of ACM's size and nature. Where full compliance is not appropriate due to the Company's size and/or nature, the Directors will refer to guidance for AIM listed companies issued by the Quoted Companies Alliance.

Board of Directors

The Board consists of three executive and three non-executive Directors, a composition which the Board believes is best suited to the continued success of the Group.

The Board is responsible for establishing the strategic direction of the Group and monitoring the Group's performance against its business plan. It is also responsible for leading and controlling the Group and in particular for formulating, reviewing and approving the Group's strategy, budget, major items of capital expenditure and acquisitions and disposals. Regular meetings are held and all necessary information is supplied on a timely basis to enable the Board to discharge its duties effectively. Additionally, special meetings take place, or other arrangements are made when Board decisions are required in advance of the regular meetings.

It is the Company's policy that Directors are re-elected by shareholders and the Company's Articles of Association require one third to retire by rotation.

Board committees

The Board has a remuneration committee, an audit committee and a nomination committee. Each of these committees consist of the three non-executive Directors and are chaired by Peter Sechiari. The Board also has a compliance committee consisting of Peter Sechiari and Ian Hartley.

The remuneration committee is discussed within the Directors' remuneration report on page 15.

The audit committee meets whenever there is business to discuss and meets at least twice each year. The audit committee is responsible for ensuring that the financial performance of the Group is properly monitored, controlled and reported on. It also meets with the auditor without executive Directors being present and reviews reports from the auditor relating to accounts and internal control systems.

The nomination committee has responsibility for making recommendations on the appointment of additional Directors to the Board and the appointment of members of the Company's senior management team. It meets at least twice a year.

Internal control

The Board is responsible for the system of internal control. Although no system can provide absolute assurance against misstatement or loss, the Group's systems are designed to provide the Directors with reasonable assurance. The Board is also responsible for reviewing the effectiveness of the system.

Going concern

The Directors confirm that they are satisfied that the Group has adequate resources to continue its business for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

Shareholder relations

The Board places significant importance on maintaining good communications with its shareholders. This includes meetings with shareholders and analysts as appropriate. Shareholders are also invited to the Company's AGM, where questions are taken. The Company also uses its Annual Report and Accounts, Interim statement and website (www.acmshippinggroup.com) to provide further information to shareholders.

Directors' remuneration report

Remuneration committee

The remuneration committee consists of the three non-executive Directors: Peter Sechiari (as Chairman), David Cobb, and Timothy Chadwick. The committee meets formally at least twice a year and otherwise as required. The remuneration committee considers all material elements of remuneration policy, including remuneration and incentives of executive Directors and senior management (including pension rights and compensation payments) with reference to independent remuneration research and professional advice. The Board is responsible for implementing the recommendations and agreeing the remuneration packages for individual Directors. The remuneration committee is also responsible for making recommendations for grants of options under share option and incentivisation schemes. No Director is able to participate in discussions relating to his own terms and conditions of remuneration. Non-executive Directors' and the Chairman's fees are determined by the full Board on the advice of the remuneration committee.

Directors' remuneration (audited)

	Salary and fees £000	Benefits-in-kind £000	Annual bonus £000	Pension contributions £000	Share-based benefit £000	**Total 2010 £000**	Total 2009 £000
Executive Directors							
JL Plumbe	170	15	330	—	113	**628**	612
JCD Gundy	100	12	630	22	—	**764**	1,040
IM Hartley	100	4	85	30	6	**225**	200
Non-executive Directors							
PG Sechiari*	76	—	—	—	—	**76**	97
TJM Chadwick	28	—	—	—	—	**28**	27
DB Cobb	28	—	—	—	—	**28**	27
Total	502	31	1,045	52	119	**1,749**	2,003

* The fees payable to Peter Sechiari include £33,000 for his fees as a non-executive Director and £43,000 payable to PGS Associates for his services as a consultant.

Annual bonus

In order to attract and retain the highest calibre of employees, a significant proportion of remuneration packages of executive Directors and senior management are geared towards an annual bonus. The Group adopts an industry standard bonus model whereby proportions of revenue and profit are distributed to senior employees as bonuses. The individual allocation of this bonus between the Directors and senior employees is discretionary. This discretion is exercised by the remuneration committee upon the recommendation of senior executives.

Pension contributions

The Company makes pension contributions on behalf of its executive Directors. James Gundy is a member of the Group's defined benefit scheme. Ian Hartley is a member of the Group's stakeholder scheme. John Plumbe and the non-executive Directors do not participate in the Group's pension schemes.

Share incentives

The following Director was granted options under the EMI scheme in July 2007:

Ian Hartley – awarded 48,661 options at an option price of 205.5 pence vesting between July 2010 and July 2012. The option price was the mid market price at the date of the award.

The following Directors were granted options at an option price of 160 pence under the Sharesave scheme in January 2008:

John Plumbe – granted 6,000 options maturing in 2011.

James Gundy – granted 10,500 options maturing in 2013.

Ian Hartley – granted 6,000 options maturing in 2011.

The mid market price at the date of grant of the options under the Sharesave scheme was 199 pence.

The following Director was granted options under the LTIP scheme in January 2009:

John Plumbe – granted 206,060 LTIPs maturing in January 2012. The exercise of these LTIPs is conditional upon targeted EPS growth in the three years to 31 March 2011.

Service contracts

The service agreements of executive Directors have a notice period of six months. The non-executive Directors have service contracts with a notice period of six months after an initial one year term.

Independent auditor's report
to the members of ACM Shipping Group plc

We have audited the Group and parent company financial statements ("the financial statements") of ACM Shipping Group plc for the year ended 31 March 2010 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the balance sheets, the statements of changes in equity, the cash flow statements, and the related notes. We have also audited the information in the Directors' remuneration report that is described as having been audited. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS") as adopted by the European Union and as regards the parent company financial statements as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' responsibilities statement set out on page 13, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent company's affairs as at 31 March 2010 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion:

— the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006; and

— the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

— adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;

— the parent company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns;

— certain disclosures of Directors' remuneration specified by law are not made; or

— we have not received all the information and explanations we require for our audit.

Malcolm Pirouet, Senior Statutory Auditor
For and on behalf of
RSM Tenon Audit Limited
Statutory Auditor
66 Chiltern Street
London W1U 4JT
16 July 2010

Consolidated income statement
year ended 31 March 2010

	Note	2010 £000	2009 £000
Revenue	2	**25,852**	30,143
Administrative expenses		**(20,547)**	(22,907)
Amortisation of intangible assets	10	**(436)**	(606)
		4,869	6,630
Share of operating profit in joint venture	5	**1,325**	1,490
Operating profit		**6,194**	8,120
Net interest	6	**(27)**	(5)
Profit before taxation		**6,167**	8,115
Taxation	7	**1,870**	2,275
Profit for the year		**4,297**	5,840
Earnings per share	8		
Basic		**24.5p**	33.4p
Fully diluted		**24.4p**	33.2p

All of the activities are classed as continuing.

The notes on pages 23 to 40 form part of the financial statements.

Consolidated statement of comprehensive income
year ended 31 March 2010

	2010 £000	2009 £000
Profit for the year	**4,297**	5,840
Actuarial loss in respect of defined benefit pension scheme	**(1,264)**	(652)
Deferred tax in respect of defined benefit pension scheme	**354**	183
Exchange differences on translation of foreign operations	**50**	(100)
Currency reserve	**(155)**	9
Deferred tax on currency reserve	**41**	—
Total comprehensive income for the year	**3,323**	5,280

The notes on pages 23 to 40 form part of the financial statements.

The Company had no income other than its profit for the year.

Balance sheets
as at 31 March 2010

	Note	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Non-current assets					
Property, plant and equipment	9	**393**	550	**—**	—
Intangible assets	10	**10,183**	10,619	**—**	—
Investments	11	**1,208**	1,493	**9,727**	9,727
Deferred tax asset	12	**598**	338	**160**	50
		12,382	13,000	**9,887**	9,777
Current assets					
Trade and other receivables	13	**5,850**	5,997	**22**	14
Cash and cash equivalents		**4,266**	4,935	**2**	—
		10,116	10,932	**24**	14
Total assets		**22,498**	23,932	**9,911**	9,791
Current liabilities					
Trade and other payables	14	**(6,046)**	(9,014)	**(3,608)**	(3,922)
Current tax payable		**(1,014)**	(1,317)	**—**	—
		(7,060)	(10,331)	**(3,608)**	(3,922)
Non-current liabilities					
Deferred tax liabilities	12	**—**	(208)	**—**	—
Pension liability	15	**(2,089)**	(1,206)	**—**	—
		(2,089)	(1,414)	**—**	—
Total liabilities		**(9,149)**	(11,745)	**(3,608)**	(3,922)
Net assets		**13,349**	12,187	**6,303**	5,869
Capital and reserves					
Share capital	16	**177**	176	**177**	176
Share premium account		**3,730**	3,730	**3,730**	3,730
ESOP reserve	17	**(1,025)**	—	**—**	—
Retained earnings		**10,125**	8,219	**1,815**	1,776
Other reserves		**342**	62	**581**	187
Total equity		**13,349**	12,187	**6,303**	5,869

These financial statements were approved by the Board on the 16 July 2010 and are signed on its behalf by:

John Plumbe
Director

Ian Hartley
Director

The notes on pages 23 to 40 form part of the financial statements.

Statements of changes in equity
as at 31 March 2010

Group	Share capital £000	Share premium £000	ESOP reserve £000	Retained earnings £000	Other reserves £000	Total £000
Balance at 1 April 2008	173	3,730	—	4,087	(125)	7,865
Profit for the year	—	—	—	5,840	—	5,840
Dividends to equity shareholders	—	—	—	(1,139)	—	(1,139)
Actuarial loss in respect of defined benefit pension scheme	—	—	—	(652)	—	(652)
Deferred tax in respect of defined benefit pension scheme	—	—	—	183	—	183
Currency translation differences	—	—	—	(100)	—	(100)
Currency reserve	—	—	—	—	9	9
Issue of shares	3	—	—	—	—	3
Fair value of share-based payments	—	—	—	—	178	178
Balance at 31 March 2009	176	3,730	—	8,219	62	12,187
Profit for the year	—	—	—	4,297	—	4,297
Dividends to equity shareholders	—	—	—	(1,531)	—	(1,531)
Actuarial loss in respect of defined benefit pension scheme	—	—	—	(1,264)	—	(1,264)
Deferred tax in respect of defined benefit pension scheme	—	—	—	354	—	354
ESOP shares acquired (note 17)	—	—	(1,025)	—	—	(1,025)
Currency translation differences	—	—	—	50	—	50
Currency reserve	—	—	—	—	(155)	(155)
Deferred tax on currency reserve	—	—	—	—	41	41
Issue of shares	1	—	—	—	—	1
Fair value of share-based payments	—	—	—	—	394	394
Balance at 31 March 2010	**177**	**3,730**	**(1,025)**	**10,125**	**342**	**13,349**

Company	Share capital £000	Share premium £000	Retained earnings £000	Other reserves £000	Total £000
Balance at 1 April 2008	173	3,730	1,094	9	5,006
Profit for the year	—	—	1,821	—	1,821
Dividends to equity shareholders	—	—	(1,139)	—	(1,139)
Issue of shares	3	—	—	—	3
Fair value of share-based payments	—	—	—	178	178
Balance at 31 March 2009	176	3,730	1,776	187	5,869
Profit for the year	—	—	1,570	—	1,570
Dividends to equity shareholders	—	—	(1,531)	—	(1,531)
Issue of shares	1	—	—	—	1
Fair value of share-based payments	—	—	—	394	394
Balance at 31 March 2010	**177**	**3,730**	**1,815**	**581**	**6,303**

Other reserves are made up of:

	Group		Company	
	2010 £000	2009 £000	**2010 £000**	2009 £000
Merger reserve	**(135)**	(135)	**—**	—
Currency reserve	**(104)**	10	**—**	—
Share-based payment reserve	**581**	187	**581**	187
	342	62	**581**	187

The currency reserve arises from exchange gains and losses arising on consolidation.

The share-based payment reserve represents the fair value of share options which have been granted.

The merger reserve arose when the shares of ACM Shipping Limited were exchanged for shares in ACM Shipping Group plc. Since the members and their rights were unchanged the transfer of ownership was accounted for in accordance with the principles of merger accounting.

The notes on pages 23 to 40 form part of the financial statements.

Cash flow statements
year ended 31 March 2010

	Group		Company	
	2010 £000	2009 £000	**2010 £000**	2009 £000
Profit before taxation	**6,167**	8,115	**1,386**	1,699
Depreciation	**227**	228	**—**	—
Net interest	**27**	5	**—**	—
Share of operating profit in joint venture	**(1,325)**	(1,490)	**—**	—
Amortisation of intangibles	**436**	606	**—**	—
Share-based payments	**394**	178	**394**	178
Operating cash flow before changes in working capital and provisions	**5,926**	7,642	**1,780**	1,877
Decrease/(increase) in debtors	**148**	(2,018)	**(8)**	(8)
(Decrease)/increase in creditors	**(3,073)**	3,831	**(240)**	2,201
Provision for pension scheme costs	**76**	228	**—**	—
Pension scheme contributions paid	**(510)**	(695)	**—**	—
Cash generated from operating activities	**2,567**	8,988	**1,532**	4,070
Taxation paid	**(2,247)**	(2,137)	**—**	80
Net cash from operating activities	**320**	6,851	**1,532**	4,150
Cash flows from investing activities				
Purchase of property and equipment	**(70)**	(267)	**—**	—
Investment	**—**	(44)	**—**	—
Acquisition of subsidiary, net of cash acquired	**—**	(3,017)	**—**	(3,017)
Acquisition of business	**—**	(2,538)	**—**	—
Dividends received from associates	**—**	78	**—**	—
Amounts received from joint venture	**1,610**	1,472	**—**	—
Interest received	**26**	(29)	**—**	—
Net cash used in investing activities	**1,566**	(4,345)	**—**	(3,017)
Cash flows from financing activities				
Dividends paid	**(1,531)**	(1,139)	**(1,531)**	(1,139)
Shares acquired for ESOP	**(1,025)**	—	**—**	—
Issue of new shares	**1**	3	**1**	3
Net cash used in financing activities	**(2,555)**	(1,136)	**(1,530)**	(1,136)
Net (decrease)/increase in cash and cash equivalents	**(669)**	1,370	**2**	(3)
Cash and cash equivalents at the beginning of the year	**4,935**	3,565	**—**	3
Cash and cash equivalents at the end of the year	**4,266**	4,935	**2**	—

The notes on pages 23 to 40 form part of the financial statements.

Notes to the financial statements
year ended 31 March 2010

1. Accounting policies

(a) Basis of accounting

These financial statements have been prepared in accordance with the Companies Act and those European Union endorsed IFRS and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements (July 2010). The policies set out below have been consistently applied to all the years presented.

These consolidated financial statements have been prepared under the historical cost convention except as noted below.

No separate profit and loss account is presented for the parent company as provided by Section 408, Companies Act 2006.

(b) Basis of consolidation

The consolidated financial statements include the accounts of ACM Shipping Group plc and its subsidiary and associated undertakings and joint venture arrangements.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow and can be reliably measured. Revenue is recognised when the Group has a contractual entitlement to commission. This is generally the point at which there is completion of contractual terms between the principles of a transaction. Time charter revenue is recognised on a monthly basis.

(d) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and any impairment in value. Depreciation is provided on a straight line basis over the expected economic life of that asset as follows:

Leasehold improvements	– seven years
Fixtures, fittings and office equipment	– two to five years

(e) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

(f) Pension costs and other post-retirement benefits

The Group operates a defined benefit scheme and recognises the pension liability in the Group balance sheet. The liability is the present value of the accrued defined benefit obligation at the balance sheet date less the fair value of the scheme's assets. The present value of the defined benefit obligation is measured using the projected unit method and discounted at an AA corporate bond rate. Assets are valued at market value. The Group recognises actuarial gains and losses via the statement of recognised comprehensive income in the year in which they occur.

The Company also contributes to defined contribution schemes. Contributions to these schemes have been charged against profit as they fall due.

(g) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(h) Foreign currencies

Transactions denominated in foreign currencies are converted into Sterling at the rate of exchange at the time of the transaction. At each balance sheet, monetary assets and liabilities are converted at the rate of exchange at the balance sheet date with any gain or loss being included in the income statement.

On consolidation, assets and liabilities of overseas operations are converted at the balance sheet rate while the income statement is translated at the average rate for the year. Any exchange gain or loss arising on consolidation is charged to reserves.

Notes to the financial statements continued
year ended 31 March 2010

1. Accounting policies continued

(i) Joint ventures
The Group's investment and share of the profits or losses of the joint ventures are included in the financial statements using the equity method.

(j) Investments
All investments are stated at cost less provisions for diminution in value.

(k) Goodwill
On the acquisition of a business, fair values are attributed to the net assets (including any identifiable intangible assets) acquired. Goodwill arises where the fair value of the consideration exceeds the fair value of the net assets acquired. Goodwill is recognised as an asset and is reviewed for impairment at least annually. Impairments are recognised immediately in the income statement. Goodwill is allocated to cash-generating units for the purposes of impairment testing. On the disposal of a business, goodwill relating to that business remaining on the balance sheet is included in the determination of the profit or loss on disposal.

(l) Other intangible assets
Intangible assets acquired as part of a business combination are stated in the balance sheet at their fair value at the date of acquisition less accumulated amortisation and any provisions for impairment. The amortisation of the carrying value of the capitalised forward order book and customer relationships is charged to the income statement over an estimated useful life determined by either the expected due dates for future income in the case of forward order books or the expected duration of customer relationships. The carrying values of intangible assets are reviewed for impairment at least annually or when there is an indication that they may be impaired. The estimated useful life of the items in the forward order book is generally three to four years and for the customer relationships is ten years.

(m) Share-based payments
The Company awards employees bonuses in the form of share options and long-term incentive plan share awards, on a discretionary basis from time to time. The options and awards are normally subject to vesting conditions and, where it is considered likely that the conditions will be met, their fair value is recognised as an employee benefits expense with a corresponding increase in other reserves over the vesting period. The cash proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

(n) Financial instruments
Classification

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

The Company's share capital is treated as equity.

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are dividends and are recorded directly in equity.

Trade receivables

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

1. Accounting policies continued

(n) Financial instruments continued

Trade payables

Trade payables are not interest bearing and are stated at nominal value.

Forward contracts

The Company uses forward contracts for foreign currency and accounts for these using hedge accounting.

(o) Own shares held by ESOP trust

Transactions of the Group-sponsored ESOP trust are treated as being those of the Group and are therefore reflected in the Group's financial statements. In particular, the trust's purchases of shares in the Company are debited directly to equity.

(p) Adopted IFRS not yet applied

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 April 2009:

- IAS 1 (revised), Presentation of financial statements has resulted in the statement of recognised income and expense being renamed the statement of comprehensive income and the introduction of the statement of changes in equity as a primary statement. The Group has chosen to present two statements, an income statement and a statement of comprehensive income.
- IFRS 2 (amendment), Share-based payment deals with vesting conditions and cancellations. The amendment does not have a material impact on the Group or Company's financial statements.
- IFRIC 16, Hedges of a net investment in a foreign operation. This has not had any impact on the Group.

The following new standards, amendments to standards or interpretations are also mandatory for the first time for the financial year beginning 1 April 2009 but are not currently relevant for the Group:

- IFRIC 13, Customer loyalty programmes.
- IFRIC 15, Agreements for the construction of real estate.
- IAS 39 (amendment), Financial instruments: Recognition and measurement.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 April 2009 and have not been early adopted:

- IFRS 3 (revised), Business combinations and consequential amendments to IAS 27, Consolidated and separate financial statements.
- IAS 28, Investments in associates and IAS 31, Interests in joint ventures, effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. Management is assessing the impact of the new requirements regarding acquisition accounting, consolidation and associates on the Group.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 April 2009 and are not currently relevant to the Group:

- IFRIC 17, Distributions of non-cash assets to owners, effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the Group, as it has not made any non-cash distributions.
- IFRIC 18, Transfers of assets from customers, effective from 1 July 2009. This is not relevant to the Group, as it has not received any assets from customers.
- IFRIC 19, Extinguishing financial liabilities with equity investments. This is not relevant to the Group as no equity instruments have been issued to extinguish any financial liabilities.
- IFRS 9, Financial Instruments effective for annual periods beginning on or after 1 January 2010. Earlier application is permitted but will not be taken.

The Directors do not anticipate that the adoption of any of these standards and interpretations will have a material impact on these financial statements.

Notes to the financial statements continued
year ended 31 March 2010

2. Segmental reporting
The Group operates in one business sector and does not report internally any segmental information other than revenue streams. As a result no additional business sector information is provided. Business is the Group's primary reporting segment. Geographical information is not produced and is not readily available. In view of management, the cost of developing this information would be excessive.

Analysis of Group's revenue:

	2010 £000	2009 £000
Spot brokerage	**10,997**	15,750
Time charter	**8,073**	8,339
Demurrage	**1,419**	1,103
Sale and purchase	**5,363**	4,951
	25,852	30,143

3. Operating profit
Operating profit is stated after charging:

	2010 £000	2009 £000
Depreciation of property, plant and equipment	**227**	228
Amortisation of intangible assets (see note 10)	**436**	606
Operating lease costs	**644**	720
Remuneration of the auditor:		
– audit of the Company	**9**	9
– audit of subsidiaries	**16**	16
– audit of pension schemes	**5**	5
– taxation services	**12**	12
– other services	**9**	9

4. Staff costs

The average number of persons employed by the Group during the year was as follows:

	2010 Number	2009 Number
Office and administration	**96**	84

The aggregate payroll costs of the above were:

	Note	2010 £000	2009 £000
Salaries		**14,250**	16,398
Social security costs		**1,569**	1,664
Pension costs	15	**668**	995
Share-based payments	18	**394**	178
		16,881	19,235

The remuneration of the key management, which were the Directors, was as follows:

	2010 £000	2009 £000
Total emoluments	**1,749**	2,003

Further analysis of Directors' remuneration, pension contributions and share options is shown within the Directors' remuneration report.

5. Joint venture

	2010 £000	2009 £000
Share of operating profit of joint venture	**1,325**	1,490

The Group has a 50% interest with GFI Brokers Limited in an unincorporated joint venture, which provides a market for derivative products within the oil freight business.

6. Net interest

	Note	2010 £000	2009 £000
Bank interest		**26**	24
Pension-expected return on plan assets less interest on obligation	15	**(53)**	24
		(27)	48
Bank interest		**—**	(53)
		(27)	(5)

Notes to the financial statements continued
year ended 31 March 2010

7. Taxation
(a) Analysis of charge in the year

	Note	2010 £000	2009 £000
UK corporation tax		**1,943**	2,339
Over provision for previous years		**—**	(16)
Current taxation		**1,943**	2,323
Deferred taxation	7(c)	**(73)**	(48)
	7(b)	**1,870**	2,275

(b) Factors affecting tax charge

	Note	2010 £000	2009 £000
Profit before taxation		**6,167**	8,115
Profit at current tax rate in UK of 28% (2009: 28%)		**1,727**	2,272
Effects of:			
– expenses not deductible for tax purposes		**211**	172
– unrelieved losses in overseas subsidiaries		**13**	—
– utilisation of losses in overseas subsidiaries		**(84)**	(126)
– adjustment in respect of prior years		**—**	(16)
– other		**3**	(27)
	7(a)	**1,870**	2,275

(c) Deferred taxation

	Note	2010 £000	2009 £000
Depreciation in excess of capital allowances		**(23)**	(10)
Other timing differences		**4**	(27)
Timing differences in respect of share-based payments		**(110)**	(50)
Timing difference in respect of amortisation of intangibles		**(51)**	(99)
Timing differences in respect of payments to pension scheme		**107**	138
	7(a)/12	**(73)**	(48)

8. Earnings per share

EPS is calculated by dividing the profit attributable to equity shareholders by the weighted average number of shares in issue in the year.

	2010 £000	2009 £000
Earnings		
Earnings for the year	**4,297**	5,840
Adjustment for amortisation of intangibles	**436**	606
Adjustment for taxation impact of amortisation of intangibles	**(122)**	(170)
Earnings for adjusted EPS	**4,611**	6,276

	Number	Number
Number of shares		
Weighted average number of shares	**17,540,144**	17,463,980
Dilutive effect of share plans	**103,898**	115,827
Diluted weighted average number of shares	**17,644,042**	17,579,807

The weighted average number of shares excludes those held by Employee Share Ownership Plan.

	2010 Pence	2009 Pence
EPS		
Basic	**24.5**	33.4
Diluted	**24.4**	33.2
Adjusted	**26.3**	35.9
Adjusted diluted	**26.1**	35.7

Notes to the financial statements continued
year ended 31 March 2010

9. Property, plant and equipment
(a) Group

	Leasehold improvements £000	Office and computer equipment £000	Total £000
Cost			
At 1 April 2009	502	885	1,387
Additions	6	64	70
Disposals	—	(27)	(27)
At 31 March 2010	**508**	**922**	**1,430**
Depreciation			
At 1 April 2009	290	547	837
Charge for the year	93	134	227
Disposals	—	(27)	(27)
At 31 March 2010	**383**	**654**	**1,037**
Net book value			
At 31 March 2010	**125**	**268**	**393**

	Leasehold improvements £000	Office and computer equipment £000	Total £000
Cost			
At 1 April 2008	416	855	1,271
Additions	86	196	282
Disposals	—	(183)	(183)
Exchange adjustments	—	17	17
At 31 March 2009	502	885	1,387
Depreciation			
At 1 April 2008	214	573	787
Charge for the year	76	152	228
Disposals	—	(183)	(183)
Exchange adjustments	—	5	5
At 31 March 2009	290	547	837
Net book value			
At 31 March 2009	212	338	550

(b) Company
The Company did not own any property and equipment at any time during the year.

10. Intangible assets

	Other £000	Goodwill £000	Total £000
Cost			
At 1 April 2009	2,960	8,929	11,889
Acquisition of a business	—	—	—
At 31 March 2010	**2,960**	**8,929**	**11,889**
Amortisation			
At 1 April 2009	1,270	—	1,270
Amortisation during the year	436	—	436
At 31 March 2010	**1,706**	**—**	**1,706**
Net book value			
At 31 March 2010	**1,254**	**8,929**	**10,183**

	Other £000	Goodwill £000	Total £000
Cost			
At 1 April 2008	1,958	7,408	9,366
Acquisition of a business	1,002	1,521	2,523
At 31 March 2009	2,960	8,929	11,889
Amortisation			
At 1 April 2008	664	—	664
Amortisation during the year	606	—	606
At 31 March 2009	1,270	—	1,270
Net book value			
At 31 March 2009	1,690	8,929	10,619

Other intangible assets consist of forward order book and customer relationships.

All amortisation charges in the year have been charged through administrative expenses.

Goodwill is allocated to cash-generating units which are tested for impairment at least annually. The recoverable amount has been determined based on a value in use calculation using risk-adjusted cash flow projections based on financial budgets prepared by the Group. The key assumptions used in the value in use calculation are:

- the discount rate applied to the cash flow projections is 12%. This is the Group's weighted average cost of capital adjusted to reflect market assessment of specific risks associated with the segment cash flows;
- the period over which cash flows are projected based on financial budgets approved by the Board is one year; and
- the growth rate used to extrapolate cash flow projections beyond the budget period is 3%.

Management believes that it is unlikely that any reasonable possible change in the key assumptions would cause the carrying value of any of the cash-generating units to exceed its recoverable amount.

Notes to the financial statements continued
year ended 31 March 2010

11. Investments
(a) Group
The Group's investments were as follows:

	2010 £000	2009 £000
Investments	**1,050**	1,050
Investment in joint venture (note 5)	**158**	443
At 31 March	**1,208**	1,493

The Group has an investment of £1,006,000 as a member and owner of 16.7% of the ordinary shares of the London Tanker Brokers' Panel Limited and is also a member guarantor of Worldscale Association (London) Limited, a company limited by guarantee. These two organisations, which are both incorporated in Great Britain, prepare and distribute data on freight rates to subscribers throughout the shipping industry globally.

(b) Company
The Company's investments represent investments in subsidiaries as follows:

	2010 £000	2009 £000
At 1 April	**9,727**	9,727
Additions	**—**	—
At 31 March	**9,727**	9,727

The Company has a wholly owned subsidiary, ACM Shipping Limited, a company incorporated in England. ACM Shipping Limited has two wholly owned subsidiaries, ACM Shipping Asia Pte Limited and ACM Shipping India Limited. These companies are incorporated in Singapore and India respectively.

In the case of each subsidiary company, the investment represents investment in ordinary shares of the Company.

All subsidiary companies' principal activity is shipbroking. Each has a year end of 31 March and the consolidated results include their results to 31 March 2010.

12. Deferred tax
The deferred tax asset consists of the tax effect of timing differences in respect of:

	Group		Company	
	2010 £000	2009 £000	2010 £000	2009 £000
Pension liability	**585**	338	**—**	—
Share-based payments	**160**	—	**160**	50
Currency reserve	**41**	—	**—**	—
Excess of capital allowances over depreciation	**1**	—	**—**	—
Other timing differences	**23**	—	**—**	—
Intangible assets	**(212)**	—	**—**	—
At 31 March 2010	**598**	338	**160**	50

The deferred tax liabilities consist of the tax effect of temporary differences in respect of:

	Group		Company	
	2010 £000	2009 £000	2010 £000	2009 £000
Excess of capital allowances over depreciation	**—**	22	**—**	—
Other timing differences	**—**	(77)	**—**	—
Intangible assets	**—**	263	**—**	—
	—	208	**—**	—

12. Deferred tax continued

(a) The movement in the deferred tax asset during the year was:

	Note	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
At 1 April 2009		**338**	293	**50**	—
Charge to income statement	12(c)	**(135)**	(138)	**110**	50
Charge to statement of comprehensive income		**395**	183	**—**	—
At 31 March 2010		**598**	338	**160**	50

(b) The movement in the deferred tax liabilities during the year was:

	Note	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
At 1 April 2009		**208**	394	**—**	—
Credit to income statement	12(c)	**(208)**	(186)	**—**	—
At 31 March 2010		**—**	208	**—**	—

(c) Total credit to income statement:

	Note	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Movement in deferred tax liability	12(b)	**208**	186	**—**	—
Movement in deferred asset	12(a)	**(135)**	(138)	**110**	50
Credit to income statement	7(c)	**73**	48	**110**	50

13. Trade and other receivables

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Trade receivables	**5,254**	5,336	**—**	—
Amounts owed by Group undertakings	**—**	—	**22**	14
Other receivables	**596**	661	**—**	—
	5,850	5,997	**22**	14

The ageing profile of Group trade receivables was as follows:

	2010 £000	2009 £000
Up to 3 months	**3,590**	3,192
3 to 6 months	**497**	1,555
6 to 12 months	**918**	618
Over 12 months	**637**	247
At 31 March 2010	**5,642**	5,612
Less impairment	**(388)**	(276)
	5,254	5,336

Notes to the financial statements continued
year ended 31 March 2010

13. Trade and other receivables continued
The movements on provisions for impairment of Group trade receivables were as follows:

	2010 £000	2009 £000
At 1 April 2009	**276**	99
Charge for the year	**112**	177
At 31 March 2010	**388**	276

14. Trade and other payables

	Group		Company	
	2010 £000	2009 £000	**2010 £000**	2009 £000
Trade payables	**1,393**	2,160	**—**	—
Other taxation and social security	**2,414**	2,163	**—**	—
Accruals and deferred income	**2,239**	4,691	**23**	16
Amounts owed to Group undertakings	**—**	—	**3,585**	3,906
	6,046	9,014	**3,608**	3,922

The amounts included in trade and other payables are due to be paid within twelve months.

15. Pension commitments
The Group operates a defined benefit scheme in the UK which is closed to new members. The Group also operates stakeholder schemes and contributes to independent funds on behalf of certain of the Group's employees.

The operating charge for pension costs in the year is:

	2010 £000	2009 £000
UK defined benefit scheme	**76**	228
Defined contribution schemes	**592**	767
	668	995

The last full funding valuation on the defined benefit scheme was carried out as at 31 March 2008. A qualified independent actuary has carried out a valuation for IAS 19 purposes as at 31 March 2010 to obtain the figures in this disclosure note. The figures for the year ended 31 March 2009 have also been included for comparison.

The projected unit valuation method has been used.

15. Pension commitments continued

The principal actuarial assumptions at the balance sheet date were:

	2010	2009
Economic assumptions		
Discount rate	**5.6% pa**	6.9% pa
Price inflation	**3.7% pa**	3.0% pa
Rate of salary growth	**5.7% pa**	5.0% pa
Pension increase:		
– RPI increases subject to a maximum of 2.5% pa	**2.3% pa**	2.3% pa
– RPI increases subject to a maximum of 3.0% pa	**2.7% pa**	2.6% pa
– RPI increases subject to a maximum of 5.0% pa	**3.5% pa**	3.0% pa
Discretionary pension increases	**0.0% pa**	0.0% pa
Expected return on assets		
Diversified Growth Fund ("DGF")	**7.7% pa**	7.1% pa
Cash	**4.5% pa**	3.8% pa
Demographic assumptions		
Average expected remaining life of:		
– 60 year old non-retired male	**28.1 yrs**	28.0 yrs
– 60 year old retired male	**27.0 yrs**	26.9 yrs
– 60 year old non-retired female	**30.4 yrs**	30.4 yrs
– 60 year old retired female	**29.4 yrs**	29.4 yrs

Scheme assets are stated at their bid values at the respective balance sheet dates. The expected long-term rate of return on DGFs of 7.7% pa reflects historic UK equity returns and DGFs and is within the range of assumptions typically used by other companies. The expected long-term rate of return on cash of 4.5% pa is based upon the gross redemption yield available on long-dated gilts.

Employee benefit obligations

The amounts recognised in the balance sheet are as follows:

	2010 £000	2009 £000
Present value of funded obligations	**12,712**	8,535
Fair value of plan assets	**(10,623)**	(7,329)
Net liability	**2,089**	1,206

Note: the AVC investments invested are excluded from the assets and liabilities set out above.

The amounts recognised in the income statement are as follows:

	2010 £000	2009 £000
Current service cost (excluding employee contributions)*	**76**	120
Past service cost	**—**	108
Interest on obligation	**591**	627
Expected return on plan assets	**(538)**	(651)
Total recognised in income statement	**129**	204
Actual return on plan assets	**2,789**	(1,644)

* Excludes insurance premiums for Group life cover paid by the Group via the pension scheme.

Notes to the financial statements continued
year ended 31 March 2010

15. Pension commitments continued
The Group's accounting policy is to recognise actuarial gains and losses via the statement of comprehensive income in the year in which they occur.

	2010 £000	2009 £000
Actual return less expected return on plan assets	**2,251**	(2,295)
Experience gain/(loss) arising on plan liabilities	**305**	(440)
Gain arising from changes in assumptions underlying the present value of the plan liabilities	**(3,820)**	2,083
Net actuarial loss	**(1,264)**	(652)

Changes in the present value of the defined benefit obligation are as follows:

	2010 £000	2009 £000
At 1 April 2009	**8,535**	9,440
Service cost	**76**	120
Past service cost	**—**	108
Member contributions	**73**	71
Interest cost	**591**	627
Actuarial losses/(gains)	**3,515**	(1,643)
Benefits paid	**(78)**	(188)
At 31 March 2010	**12,712**	8,535

Changes in the fair value of plan assets are as follows:

	2010 £000	2009 £000
At 1 April 2009	**7,329**	8,395
Expected return	**538**	651
Actuarial gains/(losses)	**2,251**	(2,295)
Contributions	**583**	766
Benefits paid	**(78)**	(188)
At 31 March 2010	**10,623**	7,329

The employer expects to contribute £480,000 to the scheme in the year ending 31 March 2011.

The major categories of plan assets as a percentage of total plan assets are as follows:

	2010	2009
UK equities	**7%**	17%
European excluding UK equities	**2%**	0%
Japanese equities	**4%**	1%
Pacific excluding Japanese equities	**4%**	8%
North American equities	**12%**	6%
Equity (other)	**19%**	7%
Property	**2%**	2%
Debt	**31%**	40%
Cash	**2%**	6%
Other	**17%**	13%

16. Share capital

Authorised share capital

	2010 £000	2009 £000
30,000,000 ordinary shares of 1 pence each	**300**	300

Allotted, called up and fully paid

	Number	£000
Ordinary shares of 1 pence each		
Shares in issue 31 March 2008	17,281,514	173
Shares issued under LTIP	360,000	3
Shares in issue 31 March 2009	17,641,514	176
Shares issued under LTIP	50,000	1
Shares in issue 31 March 2010	**17,691,514**	**177**

The Company has no other form of share capital other than ordinary shares as shown in this note.

17. ESOP reserve

The ESOP reserve in Group represents 500,000 shares (2009: nil) held by ACM Shipping Limited Employee Share Ownership Plan. The shares are stated at cost. The market value of these shares at 31 March 2010 was £950,000 (2009: £nil).

18. Share-based payments

The Enterprise Management Incentive ("EMI") scheme, Sharesave scheme and Long Term Incentive Plan ("LTIP") have been set up to provide executives and employees with options to purchase ordinary shares in the Company.

Under the LTIP, 50,000 shares were awarded to an employee during the year. The employee paid one pence per share for the LTIPs which vest 50% after three years, 25% after four years and 25% after five years subject only to the employee remaining with the Group. No share options were granted under either the EMI scheme or the Sharesave scheme during the year.

The number of share options outstanding was:

Year of grant	Exercisable	Exercise price	At 31 March 2009	Lapsed	At 31 March 2010
Sharesave scheme					
2008	2011	160.0p	60,000	(14,400)	**45,600**
2008	2013	160.0p	157,500	(10,500)	**147,000**
			217,500	(24,900)	**192,600**
EMI scheme					
2007	2010–2017	205.5p	48,661	—	**48,661**
2008	2011–2018	233.5p	50,000	—	**50,000**
2008	2011–2018	150.0p	146,666	—	**146,666**
			245,327	—	**245,327**
LTIP					
2009	2012	0.0p	206,060	—	**206,060**
Total			668,887	(24,900)	**643,987**

Under the EMI scheme there are no performance conditions attaching to the grants which vest 50% after three years, 25% after four years and 25% after five years subject only to the employee remaining with the Group. One Director was awarded 206,060 LTIP shares in January 2009. These shares vest after three years subject to the satisfaction of an EPS performance target.

Notes to the financial statements continued
year ended 31 March 2010

18. Share-based payments continued

Share-based payment expense

The total charge in the consolidated income statement for the year with regard to these awards is £394,000 (2009: £178,000).

The fair values of the LTIPs are inherently valued at the share price at the date of grant less 1 pence per share.

The fair values of the options granted were determined using the Binomial option pricing model. Assumptions used in the application of the option pricing models were:

- Risk-free interest rate in the range 2.93% to 5.11% for the different grants
- Dividend yield 3%
- Volatility 30%
- Life of options five and a half years
- Fair values range from 36.6 pence to 64.5 pence

Expected volatility was estimated by reference to historical share price movements in both the Group and comparable quoted companies with a longer listing history than the Group.

19. Dividends

	2010 £000	2009 £000
Declared and paid during the year		
Final dividend for 2009: 6 pence per share (2008: 4 pence per share)	**1,058**	698
Interim dividend for 2010: 2.75 pence per share (2009: 2.5 pence per share)	**473**	441
	1,531	1,139
Proposed for approval at AGM (not recognised as liability at 31 March)		
Final dividend for 2010: 6.75 pence per share (2009: 6 pence per share)	**1,160**	1,058

20. Commitments under operating leases

At 31 March 2010 the Group had commitments for leasehold land and buildings under non-cancellable operating leases as follows:

	2010 £000	2009 £000
Operating leases which expire		
Between one and five years	**775**	1,352

21. Contingencies

The Group has given a guarantee to its bankers in the normal course of business amounting to £181,000 (2009: £181,000) on which no liability is expected to arise.

There is a cross guarantee to bankers for an unlimited amount between the Company and its subsidiary Company ACM Shipping Group Limited.

22. Notes to the cash flow statements

Analysis of changes in cash balances

	At 1 April 2009 £000	Cash flows £000	**At 31 March 2010 £000**
Cash and cash equivalents	4,935	(669)	**4,266**

23. Financial instruments and risks

The Group's financial risk management policies are designed to reduce the risk of currency, liquidity and credit risk exposure.

The Group's financial instruments comprise cash at bank and other items including trade receivables and trade payables that arise directly from its operations.

The Group has no assets or liabilities other than forward foreign exchange contracts that fall to be classed as derivatives. The Group does not engage in instruments of a speculative nature.

(a) Currency risk

The Group carries out most of its business in US Dollars and hence it is exposed to currency risk arising from fluctuations in exchange rates. So as to mitigate this risk the Group places forward contracts for the sale of US Dollars at fixed rates. The purpose of such transactions is to manage the currency risk arising from the Group's operations. At year end the Group had contracts outstanding to sell US$9.0 million (2009: US$9.0 million) and to receive Sterling. These contracts all had a maturity date of less than one year and were contracted at rates ranging from $1.49 to $1.67 to £1. The average rate of the forward contracts was $1.60 to £1.

At each balance sheet date, the contracts which are designated and effective as cash flow hedges are restated to their fair value, based on currency contracts with similar maturity profiles. At 31 March 2010 the fair value of these contracts was a liability of £258,000 (2009: asset £10,000).

The rate on the balance sheet date was $1.52 to £1 (2009: $1.43). The average rate for the year was $1.60 to £1 (2009: $1.69).

As at 31 March 2010 all cash and cash equivalents were held in Sterling except for bank accounts totalling US$1.8 million (2009: US$1.6 million) and Euro 0.0 million (2009: Euro 0.3 million). There is no difference between the book values and fair values of financial assets and liabilities.

The effect on profit before taxation of a 10% weakening in the average US Dollar exchange rate in the year compared to the effective rates for the year is approximately £1.2 million adverse (2009: £1.4 million). This effect is before hedging and with all other variables being equal. A 10% strengthening in the average US Dollar is approximately £1.2 million favourable (2009: £1.4 million). The effect on equity is similar to that on profit before taxation.

(b) Liquidity risk

The Group finances itself through retained earnings. The Group is fundamentally cash generative and manages its liquid resources so as to obtain the best available rates of return on cash investments, whilst retaining access to those resources.

An analysis of cash and cash equivalents is given in note 22. The Group does not currently have any borrowings.

(c) Credit risk

There are no significant concentrations of credit risk within the Group. The maximum credit risk exposure relating to financial assets is represented by the carrying value of receivables as at the balance sheet date. Receivable balances are monitored on an ongoing basis and a bad debt provision is held to cover doubtful debts. The Group has not historically suffered from significant bad debts.

(d) Interest rate risk

The Group has exposure to interest rates on its cash and short-term deposits.

Notes to the financial statements continued
year ended 31 March 2010

24. Ultimate controlling party
No individual shareholder has ultimate control of the Company.

25. Post balance sheet event – purchase of Endeavour Shipbrokers
On 24 June 2010 the Group entered into an agreement to acquire the business of Endeavour Shipbrokers Pty Limited ("Endeavour"), a dry cargo shipbroker based in Melbourne and Sydney, Australia. This acquisition takes the Group into the dry cargo market and is an important expansion strategically as it enhances ACM's offering and diversifies the Group's earnings. This is in line with ACM's stated strategy to become an integrated global shipbroking services provider.

The acquisition was for a total consideration of AU$10 million (£5.8 million). The consideration comprises AU$4 million (£2.3 million) in cash and the issue of 1,815,000 new ordinary shares in ACM ("Consideration Shares"). The Consideration Shares were admitted to trading on AIM on 30 June 2010. These ordinary shares rank pari passu with the existing ordinary shares of the Group. All Consideration Shares are the subject of a lock-in and orderly market arrangement. The cash element of the consideration was funded from the existing cash resources of the Group.

Endeavour concentrates on the growing Asia Pacific dry bulk market and has a wide range of global clients including major world recognised blue chip mining, industrial and agricultural companies, as well as ship owners and operators. For the eight months to 28 February 2010, on an unaudited basis, Endeavour achieved revenue of AU$4.0 million. The unaudited accounts of Endeavour for the year to 30 June 2009 showed revenue of AU$5.4 million and a profit before taxation of AU$3.1 million before allowing for Director bonuses.

Endeavour is highly complementary with the Group's recently started venture for dry cargo in the UK.

Notice of Annual General Meeting
ACM Shipping Group plc (the "Company")

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of the Company will be held at the offices of Dechert LLP, 160 Queen Victoria Street, London EC4V 4QQ on Thursday 2 September 2010 at 11.30am for the following purposes:

Ordinary business

1. To receive and adopt the Company's annual accounts for the financial year ended 31 March 2010 together with the Directors' report and the Directors' remuneration report and the auditor's report on those accounts and the auditable part of the remuneration report.
2. To approve the Directors' remuneration report for the financial year ended 31 March 2010.
3. To declare a final dividend for the financial year ended 31 March 2010 of 6.75 pence per share.
4. To re-elect Peter Sechiari as a Director of the Company.
5. To re-elect James Gundy as a Director of the Company.
6. To re-appoint RSM Tenon Audit Limited as auditor to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company and to authorise the Directors to fix their remuneration.

Special business

As special business to consider and, if thought fit, to pass the following resolutions of which resolution 7 will be proposed as an ordinary resolution and resolutions 8 and 9 will be proposed as special resolutions:

7. THAT:

7.1 the Directors be generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the "Act") to allot any relevant securities (as defined in Section 560 of the Act) of the Company up to a maximum aggregate nominal amount of £65,021 provided that:

7.1.1 this authority shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or 15 months after the date of this resolution (if earlier) unless previously varied, revoked or renewed by the Company in general meeting;

7.1.2 the Company shall be entitled to make, prior to the expiry of such authority, any offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority and the Directors may allot any relevant securities pursuant to such offer or agreement as if such authority had not expired; and

7.1.3 all prior authorities to allot relevant securities be revoked but without prejudice to the allotment of any relevant securities already made or to be made pursuant to such authorities.

8. THAT, subject to the passing of resolution 7 above:

8.1 in substitution for any existing power under Section 95 of the Companies Act 1985 or any unexercised powers previously granted to the Directors but without prejudice to the exercise of any such power prior to the date hereof, the Directors be and are hereby granted power pursuant to Section 570 of the Act to allot equity securities (as defined in Section 570 of the Act) for cash either pursuant to the authority conferred on them by resolution 7 above or by way of a sale of treasury shares as if Section 561 of the Act did not apply to any such allotment provided that this power shall be limited to:

8.1.1 the allotment of equity securities, in connection with a rights issue, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange or otherwise in any territory; and for the purposes of this resolution "rights issue" means an offer of equity securities to holders of ordinary shares in proportion to their respective holdings (as nearly as may be) and holders of other securities to the extent expressly required or (if considered appropriate by the Directors) permitted by the rights attached thereto;

8.1.2 the allotment of equity securities pursuant to the terms of the Company's existing employees' share or share option schemes or any other employees' share scheme approved by the members of the Company in general meeting;

Notice of Annual General Meeting continued
ACM Shipping Group plc (the "Company")

Special business continued

8. continued

8.1.3 the allotment (otherwise than pursuant to paragraphs 8.1.1 or 8.1.2 above) of equity securities up to an aggregate nominal value of £19,506;

and shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or 15 months after the date of this resolution (if earlier) unless previously varied, revoked or renewed by the Company in general meeting provided that the Company may, before such expiry, make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if the power hereby conferred had not expired; and

8.2 all prior powers granted under Section 95 of the Companies Act 1985 be revoked provided that such revocation shall not have retrospective effect.

9. THAT:

9.1 the Company is authorised, pursuant to Section 701 of the Act, to make market purchases (within the meanings of Sections 701(3) and (5) of the Act) of any of its ordinary shares of 1 penny each (ordinary shares) in such manner and on such terms as the Directors may from time to time determine provided that:

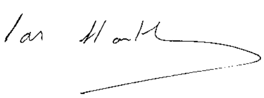
9.1.1 the maximum aggregate number of ordinary shares that may be purchased is 1,950,600;

9.1.2 the minimum price (excluding expenses) which may be paid for each ordinary share is 1 penny;

9.1.3 the maximum price (excluding expenses) which may be paid for any ordinary share is an amount equal to 105% of the average of the middle market quotations for an ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such share is contracted to be purchased; and

9.1.4 the authority conferred by this resolution shall expire on the earlier of 18 months from the date of this AGM and the conclusion of the Company's next AGM save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry of such authority.

By order of the Board



Ian Hartley
Company Secretary
Registered Office
Kinnaird House
1 Pall Mall
London SW1Y 5AU
16 July 2010

Notes

1. If you have sold or transferred all your ordinary shares in the Company, please send this document and the enclosed form of proxy (Proxy Form) to the stockbroker, or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.
2. Holders of ordinary shares, or their duly appointed representatives, are entitled to attend and vote at the AGM. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and speak and vote on their behalf at the meeting. A shareholder can appoint the Chairman of the meeting or anyone else to be his/her proxy at the meeting. A proxy need not be a shareholder. More than one proxy can be appointed in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different ordinary share or shares held by that shareholder. To appoint more than one proxy, the Proxy Form should be photocopied and completed for each proxy holder. The proxy holder's name should be written on the Proxy Form together with the number of shares in relation to which the proxy is authorised to act. The box on the Proxy Form must also be ticked to indicate that the proxy instruction is one of multiple instructions being given. All Proxy Forms must be signed and, to be effective, must be lodged with the Company's registrar so as to arrive not later than 48 hours before the time of the meeting, or in the case of an adjournment 48 hours before the adjourned time. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
3. The return of a completed Proxy Form will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
4. Only shareholders whose names appear on the register of members of the Company as at 48 hours before the time of the meeting shall be entitled to attend the AGM either in person or by proxy and the number of ordinary shares then registered in their respective names shall determine the number of votes such persons are entitled to cast on a poll at the AGM.
5. The statement of the rights of shareholders in relation to the appointment of proxies in note 2 does not apply to Nominated Persons. The rights described in that note can only be exercised by shareholders of the Company.
6. In order to facilitate voting by corporate representatives at the AGM, arrangements will be put in place at the AGM so that; (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the Chairman is being appointed as described in (i) above.
7. In accordance with regulation 41 of the Uncertificated Securities Regulations 2001, to be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members by 11.30am on 31 August 2010, or if the meeting is adjourned, by not later than 48 hours before the time and date fixed for the adjourned meeting.
8. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution.
9. Copies of all service agreements under which Directors of the Company are employed by the Company or any subsidiaries will be available for inspection at the Company's registered office, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the conclusion of the AGM, and at the venue of the AGM for 15 minutes prior to and during the meeting.
10. Except as provided above, shareholders who have general queries about the meeting should write to the Company Secretary at the address of our registered office. You may not use any electronic address provided either in this notice of AGM or any related documents (including the Proxy Form) to communicate with the Company for any purposes other than those expressly stated.

Notice of Annual General Meeting continued
explanatory notes

AGM – Business at the AGM
Shareholders will see from the notice of AGM that they are asked to consider and, if thought fit, pass a number of resolutions as ordinary and special business which are summarised below.

As ordinary business
Resolution (1) – to receive the financial statements of the Company for the year ended 31 March 2010.

Resolution (2) – to approve the Directors' remuneration report for the financial year ended 31 March 2010.

Resolution (3) – to declare a final dividend for the financial year ended 31 March 2010 of 6.75 pence per share. Subject to approval, the final dividend will be payable on 8 October 2010 to shareholders on the register as at close of business on 10 September 2010.

Resolutions (4 and 5) – under the Company's Articles of Association, and in accordance with Group policy, one third of the Company's Directors retire by rotation and, being eligible, Peter Sechiari and James Gundy offer themselves for re-election.

Resolution (6) – Auditor – this resolution, if passed, will re-appoint RSM Tenon Audit Limited as auditor of the Company and authorise the Directors to fix their remuneration.

As special business
The following item will be proposed as an ordinary resolution:

Resolution (7) – Authority to allot shares
This resolution, if passed, will authorise the Directors of the Company generally and unconditionally to allot ordinary shares of the Company up to a maximum nominal value of £65,021 representing approximately one third of the current issued share capital of the Company. This authority will expire at the conclusion of the next AGM of the Company unless previously varied, revoked or renewed by the Company in general meeting.

The following items will be proposed as special resolutions:

Resolution (8) – Disapplication of pre-emption rights
This resolution, if passed, will grant the Directors of the Company power to allot shares wholly for cash pursuant to the authority conferred on them by resolution 7 otherwise than to the existing shareholders of the Company in proportion to their existing holdings of ordinary shares. The first part of the disapplication is limited to rights issues, open offers and similar pro-rata issues. In relation to a rights issue, open offer or other pro rata issues the disapplication authority is unlimited and allows the Directors to offer shares to existing shareholders other than strictly in proportion to their holdings, where for example, overseas regulations make it difficult to offer shares pro rata to existing overseas shareholders or when dealing with fractions of shares. The second part of the disapplication is limited to issues of shares pursuant to the terms of the Company's current share scheme and any other share schemes approved by the Company in general meeting. The final part of the resolution also enables your Board to allot shares for any purpose up to an aggregate nominal value of £19,506 representing approximately 10% of the current issued share capital of the Company.

Resolution (9) – Share buy back
This resolution seeks authority for the Company to make market purchases of its own shares and is proposed as a special resolution. If passed, the resolution gives authority for the Company to purchase up to 1,950,600 of its shares, representing just under 10% of the Company's issued share capital (excluding treasury shares) as at the date of this notice of AGM.

The resolution specifies the minimum and maximum prices which may be paid for any shares purchased under this authority. The authority will expire at the conclusion of the Company's next AGM.

Whilst the Directors do not currently have any intention of exercising the authority granted by this resolution, the Directors would require the authority granted by this resolution to make market purchases of the Company's ordinary shares as a method of returning surplus cash to shareholders. The Directors will only exercise the authority to purchase shares where they consider that such purchases will be in the best interests of shareholders generally and will result in an increase in earnings per share.

The Company may either cancel any shares it purchases under this authority or transfer them into treasury (and subsequently sell or transfer them out of treasury or cancel them). The Directors currently intend to transfer sufficient shares purchased under this authority into treasury in order to satisfy the Company's share incentive schemes and to cancel any excess shares purchased.

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Financial calendar

2010
Annual General Meeting
2 September 2010

Ex-dividend date
8 September 2010

Record date
10 September 2010

Dividend payment date
8 October 2010

Interim results
December 2010*

2011
Interim dividend date
February 2011*

Year end
31 March 2011

Preliminary results
June 2011*

* Provisional.

designed and produced by
the design portfolio
marketing services.
www.design-portfolio.co.uk

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